

VZCZCXYZ0000
RR RUEHWEB

DE RUEHSJ #0794/01 2611624
ZNR UUUUU ZZH
R 181624Z SEP 09
FM AMEMBASSY SAN JOSE
TO RUEHC/SECSTATE WASHDC 1212
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS SAN JOSE 000794

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [PREL](#) [CS](#) [HO](#)

SUBJECT: COSTA RICA: WHA PDAS KELLY DISCUSSES HONDURAS AND PATHWAYS

¶1. (SBU) SUMMARY. WHA PDAS Kelly discussed the situation in Honduras with President Oscar Arias, Foreign Minister Bruno Stagno, and the American Chamber of Commerce's Board of Directors during a September 14 visit to Costa Rica. Arias thanked PDAS Kelly for USG actions in support of the San Jose Accords (SJA) process. He was hopeful that the EU would impose tough measures and that his September 16 meeting with Honduran presidential candidates would help impress upon them that it was in their interests to help resolve the conflict. FM Stagno commented that many de facto supporters expected that international censure would subside with time. The American Chamber of Commerce board members were receptive to PDAS Kelly's suggestion that they raise with their Honduran counterparts the benefits of supporting the SJA process. PDAS Kelly also discussed Pathways to Prosperity with FM Stagno and the AmCham.
END SUMMARY.

¶2. (U) PDAS Kelly began by thanking President Arias for his leadership in the San Jose Accord (SJA) process, and reaffirmed the USG's full support and commitment to the process. He said that we continue to view the SJA process as the best solution to the constitutional impasse and the restoration of democratic order and legitimacy in Honduras. He mentioned the recent revocation of visas of key leaders and supporters of the de facto regime, and the effect these measures were having among the de facto supporters.

¶3. (SBU) Arias thanked PDAS Kelly for our actions in support of the SJA process, and for our unwavering commitment to his efforts. He agreed that we should not show any separation in our positions, and that we need to remain firm and united. He also discussed the announcement of tougher measures by the EU that were reportedly to be released from Brussels that same afternoon. (FM Stagno and CDA Brennan checked with EU counterparts and learned that the European declaration had been delayed and would be much softer than hoped.) He said he hoped they would be as tough and decisive as the measures the U.S. was taking, but recognized that it was more difficult for the Europeans to arrive at such a consensus.

¶4. (SBU) Arias hoped that his planned meeting on September 16 with four of the six presidential candidates would help to impress upon them that it was in their better interests to help find a resolution to the conflict, and that the SJA was the best, most reasonable mechanism for achieving a solution that would reinstate President Zelaya while assuring his opponents that his political mobility would be constrained. He intended to be firm and direct with the presidential candidates. He said he did not really know Pepe Lobo, but hoped to impress upon him in particular that as the apparent front-runner, he would stand to lose considerably if the elections were to be considered illegitimate and were not recognized by the international community. He hoped that as an outcome of this meeting, the four candidates might be able to sign/release a joint statement in support of the SJA (draft of which they were working on), and put pressure on Micheletti and the de facto regime to accept the reinstatement of Zelaya under those terms. Arias welcomed the USG's well-calibrated September 3 statement that touched on elections.

¶5. (U) Following the meeting with PDAS Kelly, the Presidential office organized a hastily-arranged press conference, in which

President Arias mentioned various of these points. In his comments, PDAS Kelly reiterated full USG support for President Arias' efforts and the SJA process. (More detailed reporting on press conference being reported separately via PA channels).

¶6. (SBU) In a separate meeting with PDAS Kelly, Foreign Minister Stagno welcomed the USG's imposition of stronger measures against Honduras. Stagno noted that many Hondurans - including those in the private sector - feared allowing Zelaya to return for even a day, since they were convinced that he would return with Chavez' forces supporting him. He commented that many de facto supporters expected that international censure would subside with time, and they preferred to wait rather than run the risk of allowing him to return. He reported that one Honduran had shown him a news article reporting that the African Union (AU) had congratulated a former coup leader on winning elections in Mauritania and had asked why Honduras should be any different. Stagno had replied emphatically that the Organization of American States was not the AU; it did not include dictators and coup leaders in its ranks. Stagno opined that de facto President Micheletti was not calling the shots, and he would leave only if those behind him told him to go.

¶7. (SBU) The Board of the American Chamber of Commerce initially expressed concern about the USG's position on Honduras. They underscored that their counterparts in Honduras opposed Zelaya's return under any circumstances, and they asked whether the USG would refuse to recognize democratic elections held without his return. PDAS Kelly responded that compliance with the San Jose Accords was the best way for Honduras to ensure that the international community recognized its elections and that Zelaya's specter did not continue to haunt Honduran politics like Banquo's ghost. He pointed out that it would be clever for the de factos to sign the SJA and put Zelaya in a box. If they failed to sign and comply, they would be giving Chavez an issue to pursue in Honduras well after the elections. By the end of the meeting, the group's views seemed to have shifted in favor of the USG's position. PDAS Kelly encouraged them to discuss with their counterparts in Honduras the benefits of supporting the SJA. They took this message seriously, with one board member suggesting enthusiastically to his colleagues that they convoke a meeting with their counterparts from Honduras in the coming days.

¶8. (U) PDAS Kelly also discussed Pathways to Prosperity in his meetings with FM Stagno and the AmCham. He highlighted the upcoming U.S.-hosted program fostering women entrepreneurs' access to international markets and finance, and he solicited ideas for other projects that could demonstrate tangible benefits to the public. PDAS Kelly suggested to FM Stagno that a useful initiative with broad impact might be one that expedited the movement of goods across borders. FM Stagno noted the challenge of facilitating the movement of goods and people while also implementing appropriate border security measures. He wondered whether it would be possible to use Merida funds to advance these dual objectives. For its part, the AmCham Board expressed enthusiasm for the goals of Pathways and looked forward to the launching of the website, which would enable it to engage more actively with the endeavor.

BRENNAN